

**NATIONAL LANDING BUSINESS
IMPROVEMENT DISTRICT, INC.**

FINANCIAL STATEMENTS

Including Independent Auditors' Report

Years Ended June 30, 2023 and 2022

NATIONAL LANDING BUSINESS IMPROVEMENT DISTRICT, INC.

Financial Statements

Years Ended June 30, 2023 and 2022

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Independent Auditors' Report

To the Board of Directors of
National Landing Business Improvement District, Inc.

Opinion

We have audited the accompanying financial statements of National Landing Business Improvement District, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Landing Business Improvement District, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Landing Business Improvement District, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Landing Business Improvement District, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of National Landing Business Improvement District, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Landing Business Improvement District, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Toole Katz & Roemersma, LLP

Arlington, Virginia
October 5, 2023

NATIONAL LANDING BUSINESS IMPROVEMENT DISTRICT, INC.

Statements of Financial Position

June 30, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 852,812	\$ 962,259
Accounts receivable	-	72,604
Prepaid expenses and other current assets	17,585	24,498
Total current assets	870,397	1,059,361
Other Assets		
Property and equipment, net	211,452	291,078
Operating lease right-of-use asset	301,856	-
Total other assets	513,308	291,078
Total Assets	\$ 1,383,705	\$ 1,350,439
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 422,313	\$ 393,170
Accrued payroll and taxes	78,557	61,848
Current portion of operating lease liability	165,474	-
Total current liabilities	666,344	455,018
Long-Term Liabilities		
Operating lease liability, net of current portion	159,310	-
Deferred rent	-	28,229
Total long-term liabilities	159,310	28,229
Total Liabilities	825,654	483,247
Net Assets		
Without donor restrictions	541,384	817,192
With donor restrictions	16,667	50,000
Total net assets	558,051	867,192
Total Liabilities and Net Assets	\$ 1,383,705	\$ 1,350,439

See accompanying notes.

NATIONAL LANDING BUSINESS IMPROVEMENT DISTRICT, INC.

Statements of Activities

Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities						
Support and contract revenue						
County disbursements	\$ 4,318,652	\$ -	\$ 4,318,652	\$ 4,321,507	\$ -	\$ 4,321,507
Sponsorships and events	342,910	16,667	359,577	109,874	50,000	159,874
Interest income	-	-	-	38	-	38
Net assets released from restriction	50,000	(50,000)	-	-	-	-
Total support and contract revenue	4,711,562	(33,333)	4,678,229	4,431,419	50,000	4,481,419
Expenses						
Program services	4,357,526	-	4,357,526	4,462,989	-	4,462,989
Administrative and management	629,844	-	629,844	552,550	-	552,550
Total expenses	4,987,370	-	4,987,370	5,015,539	-	5,015,539
Change in Net Assets	(275,808)	(33,333)	(309,141)	(584,120)	50,000	(534,120)
Net Assets, beginning of year	817,192	50,000	867,192	1,401,312	-	1,401,312
Net Assets, end of year	\$ 541,384	\$ 16,667	\$ 558,051	\$ 817,192	\$ 50,000	\$ 867,192

See accompanying notes.

NATIONAL LANDING BUSINESS IMPROVEMENT DISTRICT, INC.

Statements of Functional Expenses

Year Ended June 30, 2023

	Program Services						Total Program Expenses	Administrative & Management	Total Expenses
	Marketing	Economic Development	Community Events & Outreach	Public Realm & Beautification	Transportation				
Staff salaries	\$ 226,538	\$ 263,520	\$ 193,076	\$ 225,263	\$ 214,893	\$ 1,123,290	\$ 253,256	\$ 1,376,546	
Labor and talent	64,020	3,570	369,513	460,478	42,204	939,785	9,738	949,523	
Advertising	235,976	37,417	82,326	11,937	71,327	438,983	4,404	443,387	
Sponsorship	27,512	79,849	93,216	10,167	14,000	224,744	23,971	248,715	
Research	7,273	114,451	12,715	18,432	29,411	182,282	4,264	186,546	
Rent	33,340	37,101	30,478	27,014	23,765	151,698	20,686	172,384	
Employee benefits	42,929	47,774	38,086	34,784	30,601	194,174	25,978	220,152	
Program reserve funds	1,600	-	30,900	50,000	49,500	132,000	27,258	159,258	
Accounting and legal	28,200	2,400	8,510	-	7,000	46,110	97,693	143,803	
County fees	-	-	-	-	-	-	87,452	87,452	
Depreciation	16,668	18,548	14,787	13,505	11,881	75,389	10,114	85,503	
Payroll taxes	15,053	17,506	12,557	14,466	13,702	73,284	15,858	89,142	
Development	9,413	10,737	5,675	4,701	4,360	34,886	17,132	52,018	
Supplies	7,832	8,936	68,447	348	11,246	96,809	488	97,297	
Photography and video	38,838	4,250	12,676	2,124	10,462	68,350	2,709	71,059	
Licenses and permits	24,169	47,260	13,873	8,890	7,821	102,013	-	102,013	
Equipment rental	10,919	98	142,779	4,015	2,672	160,483	1,651	162,134	
Office expenses	12,463	13,787	11,345	9,991	8,815	56,401	16,440	72,841	
Website	23,719	1,050	-	-	-	24,769	-	24,769	
Insurance	-	-	-	100	-	100	8,538	8,638	
Cleaning and recycling	-	-	4,438	177,556	-	181,994	111	182,105	
Travel and conferences	7,513	17,139	14,178	6,166	4,986	49,982	2,103	52,085	
Total Expenses	\$ 833,975	\$ 725,393	\$ 1,159,575	\$ 1,079,937	\$ 558,646	\$ 4,357,526	\$ 629,844	\$ 4,987,370	

See accompanying notes.

NATIONAL LANDING BUSINESS IMPROVEMENT DISTRICT, INC.

Statements of Functional Expenses - Continued

Year Ended June 30, 2022

	Program Services						Total Program Expenses	Administrative & Management	Total Expenses
	Marketing	Economic Development	Community Events & Outreach	Public Realm & Beautification	Transportation				
Staff salaries	\$ 214,541	\$ 227,186	\$ 181,100	\$ 187,552	\$ 188,700	\$ 999,079	\$ 214,237	\$ 1,213,316	
Labor and talent	2,023	-	163,546	286,601	122,085	574,255	3,179	577,434	
Advertising	282,279	29,987	41,221	22,230	101,620	477,337	7,933	485,270	
Sponsorship	54,273	199,628	129,724	6,000	13,765	403,390	64	403,454	
Research	-	49,920	24	15,000	11,875	76,819	-	76,819	
Rent	33,890	37,831	32,763	26,797	22,068	153,349	20,493	173,842	
Employee benefits	38,641	43,135	36,844	30,554	25,162	174,336	23,838	198,174	
Program reserve funds	43,100	5,000	119,900	169,980	300,000	637,980	2,466	640,446	
Accounting and legal	12,490	10,234	23,247	7,993	28,819	82,783	113,588	196,371	
County fees	-	-	-	-	-	-	90,244	90,244	
Depreciation	16,427	18,338	15,663	12,989	10,697	74,114	9,961	84,075	
Payroll taxes	13,999	14,489	11,710	11,805	11,744	63,747	12,132	75,879	
Development	8,302	9,158	7,715	6,381	5,255	36,811	19,411	56,222	
Supplies	4,742	71	81,530	3,333	13,924	103,600	5,175	108,775	
Photography and video	49,540	1,703	24,264	-	-	75,507	-	75,507	
Licenses and permits	14,981	18,521	13,224	10,193	7,060	63,979	5,310	69,289	
Equipment rental	-	-	69,147	3,333	-	72,480	-	72,480	
Office expenses	7,259	7,915	7,886	5,610	4,616	33,286	11,715	45,001	
Website	14,112	3,429	3,755	2,979	3,270	27,545	1,953	29,498	
Insurance	-	-	-	-	-	-	9,756	9,756	
Cleaning and recycling	-	-	13,903	309,795	-	323,698	563	324,261	
Travel and conferences	2,595	2,077	1,882	1,251	1,089	8,894	532	9,426	
Total Expenses	\$ 813,194	\$ 678,622	\$ 979,048	\$ 1,120,376	\$ 871,749	\$ 4,462,989	\$ 552,550	\$ 5,015,539	

See accompanying notes.

NATIONAL LANDING BUSINESS IMPROVEMENT DISTRICT, INC.

Statements of Cash Flows

Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Decrease in net assets	\$ (309,141)	\$ (534,120)
Reconciliation adjustments		
Noncash lease expense	150,332	-
Depreciation	85,503	84,075
Deferred rent	-	5,188
Changes in:		
Accounts receivable	72,604	(47,604)
Prepaid expenses and other current assets	6,913	(18,982)
Accounts payable	29,143	66,860
Accrued payroll and taxes	16,709	12,504
Operating lease liability	(155,633)	-
Net cash used in operating activities	(103,570)	(432,079)
Cash Flows from Investing Activities		
Purchase of property and equipment	(5,877)	(13,474)
Net Decrease in Cash and Cash Equivalents	(109,447)	(445,553)
Cash and Cash Equivalents, beginning of year	\$ 962,259	\$ 1,407,812
Cash and Cash Equivalents, end of year	\$ 852,812	\$ 962,259

See accompanying notes.

NATIONAL LANDING BUSINESS IMPROVEMENT DISTRICT, INC.

Notes to Financial Statements

June 30, 2023 and 2022

NOTE 1 - ORGANIZATION

National Landing Business Improvement District, Inc. (the "Organization") is a not-for-profit trade association incorporated under the laws of the Commonwealth of Virginia in July 2006. The Organization was formed for the purpose of providing a range of services, events, and activities such as marketing and promotion, transportation, physical enhancements, cleaning and maintenance, and security to enhance the public use, safety, convenience and well-being in the Crystal City area of Arlington County, Virginia. The Organization's major source of revenue is derived from the real property assessments on commercial properties located within the business improvement district and collected by the County Board of Arlington County (the "County"). The initial charter is for a five-year term which may be extended for an additional five years upon completion of the first five-year period. In 2011, the Arlington County Board removed the Organization's sunset clause, allowing it to continue its operations in perpetuity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions may be temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. As of June 30, 2023, net assets with purpose restrictions consist of \$16,667 for collaboration with the DC Jazz Festival. As of June 30, 2022, net assets with purpose restrictions consist of \$50,000 for a parklet program.

Recent Accounting Pronouncements Adopted - ASC Topic 842, Leases ("Topic 842") requires lessees to recognize operating lease right-of-use assets and operating lease liabilities on the statement of financial position as described below. Prior to the adoption of Topic 842, operating leases were expensed on a straight-line basis over the lease term on the Organization's statement of activities, and the Organization did not recognize operating lease right-of-use assets and operating lease liabilities on its statement of financial position.

The Organization adopted Topic 842 effective July 1, 2022 using a modified retrospective transition approach with no prior-period retrospective adjustments. The adoption of Topic 842 did not impact opening net assets, but did result in the Organization recognizing (i) additional lease right-of-use assets of \$452,188, (ii) current lease liabilities of \$155,632 and (iii) non-current lease liabilities of \$324,785. The Organization elected to apply optional practical expedients that allowed the Organization to forego reassessments of (i) the classification of leases existing at the date of adoption, (ii) the initial direct costs of any existing leases and (iii) whether any expired or existing contracts were, or contained, leases. Accordingly, prior comparable periods were not restated.

Long-term leases (leases with terms greater than 12 months) are recorded as liabilities at the present value of the minimum lease payments not yet paid. The present value calculation may account for an option to extend the lease when it is reasonably certain that the Organization will exercise the option. The Organization elected to apply a practical expedient available that allows the Organization to make an accounting policy election to use a risk-free rate as the discount rate for all leases.

The Organization has elected not to apply the recognition requirements of Topic 842 to short-term leases (those with terms of 12 months or less). Instead, for these types of leases, the Organization recognizes lease expense in the statement of activities on a straight-line basis over the lease term.

NATIONAL LANDING BUSINESS IMPROVEMENT DISTRICT, INC.

Notes to Financial Statements

June 30, 2023 and 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and Cash Equivalents - The term cash and cash equivalents, as used in the accompanying financial statements, includes currency on hand, demand deposits with financial institutions, and short-term, highly liquid investments purchased with a maturity of three months or less. The Organization maintains cash in certain bank deposit accounts, which at times may exceed federally insured limits. Non-interest bearing accounts are aggregated with any interest bearing deposits and the combined total is guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Accounts Receivable - Receivables are recorded at net realizable value. Management determines the collectability of accounts receivable and the need for an allowance for doubtful accounts based on historical experience and the existing economic conditions. Management has evaluated the collectability of accounts receivable and determined that no allowance for doubtful accounts is necessary at June 30, 2023 and 2022. No interest is charged on accounts receivable and accounts are written off at the point management deems them to be uncollectible, which is once such accounts have been outstanding for one year.

Property and Equipment - Property and equipment are capitalized at cost and are depreciated using the straight-line method. Property and equipment are capitalized and depreciated over the estimated useful lives, which range from five to seven years. Leasehold improvements are capitalized and depreciated on a straight-line basis over the shorter of the estimated useful lives of the improvements or the terms of the respective lease. Expenditures for maintenance and repairs and minor betterments that do not extend the lives of the assets are charged to expenses as incurred. Major expenditures which extend the lives of the assets are capitalized.

Revenue Recognition - Contract revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Organization's performance obligations related to the County Service Agreement described in Note 4 are satisfied over time on a daily pro-rata basis using the input method. Support revenue is recognized when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Organization.

Income Taxes - The Organization is exempt from federal and Virginia income tax as an organization described in Section 501(c)(6) of the Internal Revenue Code ("IRC"). However, the Organization is liable for income taxes on any unrelated business income. There was no unrelated net business taxable income for the years ended June 30, 2023 and 2022.

The tax effects from an uncertain tax position can be recognized in the financial statements, only if the position is more likely than not to be sustained on audit, based on the technical merits of the position. The Organization recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized, upon ultimate settlement with the relevant tax authority. The Organization applies the accounting standard to all tax positions for which the statute of limitations remained open. As a result, the Organization did not identify any material uncertain tax positions.

The Organization recognizes interest and penalties related to uncertain tax positions in management and general expenses. For the years ended June 30, 2023 and 2022, the Organization has not recognized any interest or penalties in its statements of activities. The Organization is no longer subject to federal, state, or local income tax examinations by tax authorities for the years prior to the fiscal year ended June 30, 2019. The Organization is not currently under examination by any taxing jurisdiction.

Advertising - Advertising costs are expensed as incurred and totaled \$443,387 and \$485,270 for the years ended June 30, 2023 and 2022, respectively.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results may differ from these estimates.

NATIONAL LANDING BUSINESS IMPROVEMENT DISTRICT, INC.

Notes to Financial Statements

June 30, 2023 and 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs such as payroll, payroll taxes, and employee benefits have been allocated among the program and management and general based on level of effort. Such allocations are determined by management on an equitable basis.

Subsequent Events - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 5, 2023 the date the accompanying financial statements were available to be issued.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2023 and 2022:

	2023	2022
Computers	\$ 54,777	\$ 48,900
Furniture and fixtures	185,505	185,505
Leasehold improvements	216,220	216,220
Vehicles	42,913	42,913
	499,415	493,538
Less: accumulated depreciation	(287,963)	(202,460)
Property and equipment, net	\$ 211,452	\$ 291,078

Depreciation expense for the years ended June 30, 2023 and 2022 totaled \$85,503 and \$84,075, respectively.

NOTE 4 - SERVICE AGREEMENT

The Organization has a service agreement with the County Board of Arlington County, Virginia. The County Board is authorized to levy and collect an annual tax on real property from commercial real estate assessments in the business improvement district to fund services delegated to the Organization. The services to be provided by the Organization include marketing and promotion, transportation, physical enhancements, security, and cleaning and maintenance in accordance with the work program and budget approved annually. The service agreement provides that the County will receive an administrative fee equal to 2.0 percent of the funds collected. In addition, the agreement stipulates that the County shall hold a reserve, initially funded at up to 2.5 percent of the funds collected per fiscal year, provided that the reserve amount required is capped at 5.0 percent of the projected revenue from the fiscal year's tax levy. This fund is set aside to handle delinquencies and successful appeals of the annual real property assessments. The reserve is held and controlled by the County and, therefore, is not included in the accompanying financial statements. The excess between actual revenues collected and budgeted revenues, less actual disbursements and budgeted disbursements, will be carried forward and available for additional draws.

NATIONAL LANDING BUSINESS IMPROVEMENT DISTRICT, INC.

Notes to Financial Statements

June 30, 2023 and 2022

NOTE 4 - SERVICE AGREEMENT - CONTINUED

The activities and balances of the County disbursements as of June 30, 2023 and 2022 are as follows:

	2023	2022
Actual revenues received by County from assessments	\$ 4,372,585	\$ 4,512,195
Administrative fee percentage	2%	2%
County fees	\$ 87,452	\$ 90,244
Actual disbursements received by the Organization	\$ 4,231,200	\$ 4,231,263
Additional draws	-	-
	4,231,200	4,231,263
County fees	87,452	90,244
County disbursements	\$ 4,318,652	\$ 4,321,507
Beginning deficit balance	\$ (4,245)	\$ (194,933)
Interest earned on reserve	1,434	-
Net of revenues less operating expenses	53,934	190,688
Ending reserve (deficit) balance	\$ 51,123	\$ (4,245)

NOTE 5 - RETIREMENT PLAN

The Organization maintains a defined contribution 401(k) plan (the "Plan") for substantially all of its employees. The Organization contributes \$1 for \$1 match on the first 6 percent of the employee contribution. At the discretion of the Organization, additional profit-sharing contributions may be made to the Plan at the end of each plan year. The total contributions for the years ended June 30, 2023 and 2022 were \$65,635 and \$65,466, respectively.

NOTE 6 - LEASES

The Organization has a lease agreement with JBG Smith Properties, which has members on the Board of Directors, which is classified as an operating lease. The lease agreement expires in 2025. Monthly base rent under the lease is \$14,160 with an annual escalation clause of 3 percent. Provided that the Organization is not in default of payments, the first monthly base rent for each of the lease years during the lease term will be waived by the lessor.

The following summarizes lease expense for the year ended June 30, 2023:

Operating lease cost	\$ 162,197
Short-term lease costs	10,187
Total lease expense	\$ 172,384

NATIONAL LANDING BUSINESS IMPROVEMENT DISTRICT, INC.

Notes to Financial Statements

June 30, 2023 and 2022

NOTE 6 - LEASES - CONTINUED

Supplemental information related to the Company's leases for the year ended June 30, 2023 follows:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$	167,498
Right-of-use assets obtained in exchange for operating lease liabilities		452,188
Weighted-average remaining lease term - operating leases		1.9 years
Weighted-average discount rate - operating leases		3.00%

The remaining lease payments under operating leases as of June 30, 2023, were as follows:

Year ending June 30:		
2024	\$	172,523
2025		161,283
<hr/>		
Total lease payments		333,806
Less: interest		(9,022)
<hr/>		
Present value of lease liabilities	\$	324,784

Future minimum lease payments due under non-cancelable operating leases as of June 30, 2022 were as follows:

Year ending June 30:		
2023	\$	167,498
2024		172,523
2025		161,283
<hr/>		
Total	\$	501,304

The total rent expense for the year ended June 30, 2022 was \$173,842 related to the leases described above.

NATIONAL LANDING BUSINESS IMPROVEMENT DISTRICT, INC.

Notes to Financial Statements

June 30, 2023 and 2022

NOTE 7 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general expenditure within one year because of donor-imposed restrictions.

	2023	2022
Financial assets at year-end	\$ 852,812	\$ 1,034,863
Less those unavailable for general expenditures within one year		
Donor purpose restrictions	-	(50,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 852,812	\$ 984,863

As part of liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations that come due. The Organization's financial assets available at June 30, 2023 are sufficient to cover all of its obligations.

National Landing Business Improvement District
Year End: June 30, 2023
Trial Balance

Account	Prelim	Adj's	Reclass	Rep	Rep 06/22
A Cash	852,812.00	0.00	0.00	852,812.00	962,259.00
1000 BB&T	852,812.00	0.00	0.00	852,812.00	577,177.00
1001 BB&T MM	0.00	0.00	0.00	0.00	385,082.00
C Accts. rec., trade & other	0.00	0.00	0.00	0.00	72,604.00
1007 Accounts Receivable	0.00	0.00	0.00	0.00	72,604.00
L Prepaid expenses	17,585.00	0.00	0.00	17,585.00	24,498.00
1008 Prepaid Expenses	17,570.00	0.00	0.00	17,570.00	24,458.00
1250 employee Receivable (A/R)	15.00	0.00	0.00	15.00	40.00
M Fixed assets	211,452.00	0.00	0.00	211,452.00	291,078.00
M. 1	499,415.00	0.00	0.00	499,415.00	493,538.00
1011 Computer	54,777.00	0.00	0.00	54,777.00	48,900.00
1015 Furniture	185,505.00	0.00	0.00	185,505.00	185,505.00
1017 Leasehold Improvements	216,220.00	0.00	0.00	216,220.00	216,220.00
1021 Vehicle	42,913.00	0.00	0.00	42,913.00	42,913.00
M. 2	(287,963.00)	0.00	0.00	(287,963.00)	(202,460.00)
1012 Computer:Accumulated Deprec - Computer	(29,712.00)	0.00	0.00	(29,712.00)	(19,327.00)
1016 Furniture:Accumulated Deprec - Furniture	(92,753.00)	0.00	0.00	(92,753.00)	(66,252.00)
1018 Leasehold Improvements:Accumulated Deprec - Lease	(139,764.00)	0.00	0.00	(139,764.00)	(99,723.00)
1022 Vehicle:Accumulated Deprec - Vehicle	(25,734.00)	0.00	0.00	(25,734.00)	(17,158.00)
N Right of Use Assets	301,856.00	0.00	0.00	301,856.00	0.00
TKR.01 Right of Use - Assets	452,188.00	0.00	0.00	452,188.00	0.00
TKR.02 Right of Use - Contra Assets	(150,332.00)	0.00	0.00	(150,332.00)	0.00
P Accounts payable	(386,102.00)	(36,211.00)	0.00	(422,313.00)	(393,170.00)
2000 Contracts Payable	(321,487.00)	(36,211.00)	0.00	(357,698.00)	(361,333.00)
2001 Credit Card Account	(62,615.00)	0.00	0.00	(62,615.00)	(29,837.00)
2005 Accrued Expenses	(2,000.00)	0.00	0.00	(2,000.00)	(2,000.00)
U Accrued Payroll and Taxes	(78,557.00)	0.00	0.00	(78,557.00)	(61,848.00)
2008 Accrued Vacation	(75,214.00)	0.00	0.00	(75,214.00)	(63,296.00)
2011 FSA Balance	(3,343.00)	0.00	0.00	(3,343.00)	1,448.00
V Deferred Rent	(324,784.00)	0.00	0.00	(324,784.00)	(28,229.00)
2009 Lease Liability/Deferred Rent	(324,784.00)	0.00	0.00	(324,784.00)	(28,229.00)
Z Equity	(867,191.00)	0.00	0.00	(867,191.00)	(1,398,996.00)
2016 Without Donor Restriction WODR	(640,507.00)	0.00	0.00	(640,507.00)	(1,172,312.00)
3951 WODR - Program Reserve:Program Reserve - Office Re	2,316.00	0.00	0.00	2,316.00	2,316.00
10-1001 WODR - Board Designated:WODR - Board Designated Op	(229,000.00)	0.00	0.00	(229,000.00)	(229,000.00)

Account	Prelim	Adj's	Reclass	Rep	Rep 06/22
20 Revenue	(4,677,217.00)	(1,012.00)	0.00	(4,678,229.00)	(4,481,419.00)
10-0000 AC Disbursements	(4,317,640.00)	(1,012.00)	0.00	(4,318,652.00)	(4,321,507.00)
20-0000 Sponsorship	(351,500.00)	0.00	16,667.00	(334,833.00)	(97,604.00)
20-0001 Sponsorship:Restricted	0.00	0.00	(16,667.00)	(16,667.00)	(50,000.00)
30-0000 Event Income	(3,163.00)	0.00	0.00	(3,163.00)	(9,696.00)
40-0000 Interest Income	0.00	0.00	0.00	0.00	(38.00)
40-1000 Miscellaneous Income	(4,914.00)	0.00	0.00	(4,914.00)	(2,574.00)
40 Personnel Costs	1,759,824.00	0.00	0.00	1,759,824.00	1,500,466.00
50-1100 Support Services: Personnel: Benefits	204,095.00	0.00	0.00	204,095.00	178,290.00
50-1200 Support Services: Personnel: Payroll Expenses	11,602.00	0.00	0.00	11,602.00	11,092.00
50-1300 Support Services: Personnel: Salary	1,256,894.00	0.00	0.00	1,256,894.00	1,083,665.00
50-1301 Support Services: Personnel: Bonus	108,050.00	0.00	0.00	108,050.00	118,560.00
50-1302 Support Services: Personnel: Payroll Taxes	89,142.00	0.00	0.00	89,142.00	75,879.00
50-1303 Support Services: Personnel: Vacation	16,057.00	0.00	0.00	16,057.00	19,884.00
50-1325 Support Services: Personnel: Contract Labor	65,346.00	0.00	0.00	65,346.00	3,340.00
40.2 Insurance	8,638.00	0.00	0.00	8,638.00	9,756.00
50-2100 Support Services: Insurance: D&O Insurance	4,501.00	0.00	0.00	4,501.00	0.00
50-2200 Support Services: Insurance: Liability Insurance	3,033.00	0.00	0.00	3,033.00	9,656.00
50-2300 Support Services: Insurance: Event Insurance	0.00	0.00	0.00	0.00	100.00
50-2600 Support Services: Insurance: Cyber Insurance	1,104.00	0.00	0.00	1,104.00	0.00
41 Operating Expenses	2,454,251.00	36,211.00	0.00	2,490,462.00	2,795,321.00
41.0 Other Expenses	1,868,452.00	33,191.00	0.00	1,901,643.00	1,756,875.00
60-4100 Program Expense: Partnership	70,892.00	0.00	0.00	70,892.00	173,671.00
60-4200 Program Expense: Sponsorship	174,223.00	3,600.00	0.00	177,823.00	229,783.00
60-4400 Program Expense: Talent/Labor	251,588.00	0.00	0.00	251,588.00	127,184.00
60-4500 Program Expense: Event Services	99,948.00	0.00	0.00	99,948.00	0.00
60-4600 Program Expense: Promotional Items/Giveaways	81,773.00	0.00	0.00	81,773.00	68,770.00
60-4700 Program Expense: Equipment Rental	162,134.00	0.00	0.00	162,134.00	72,481.00
60-4800 Program Expense: Program Supplies	96,955.00	342.00	0.00	97,297.00	108,774.00
60-4900 Program Expense: Permits	16,815.00	0.00	0.00	16,815.00	4,545.00
60-5001 Program Expense: Planning/Research	165,731.00	4,000.00	0.00	169,731.00	76,819.00
70-2100 Program Expense: Banner Program	0.00	0.00	0.00	0.00	9,823.00
70-2200 Program Expense: Wayfinding/Signage	51,841.00	0.00	0.00	51,841.00	101,757.00
70-2300 Program Expense: Banner Maintenance	5,915.00	0.00	0.00	5,915.00	12,098.00
70-2400 Program Expense: Banner Installations	1,140.00	0.00	0.00	1,140.00	0.00
70-3000 Program Expense: Landscaping	0.00	0.00	0.00	0.00	(18,992.00)
70-3100 Program Expense: Landscaping Maintenance	0.00	0.00	0.00	0.00	306,644.00
70-3110 Program Expense: Monthly Landscape Maintenance	171,492.00	0.00	0.00	171,492.00	0.00
70-3120 Program Expense: Landscape Repairs/Replacements	6,574.00	0.00	0.00	6,574.00	0.00
70-3130 Program Expense: Watering Services	31,410.00	6,971.00	0.00	38,381.00	0.00
70-3200 Program Expense: Landscaping Enhancements	281,578.00	0.00	0.00	281,578.00	132,248.00
70-7000 Program Expense: Cleaning/Recycling/Compost	10,335.00	278.00	0.00	10,613.00	17,616.00
70-8000 Program Expense: Security	3,677.00	0.00	0.00	3,677.00	750.00
70-8601 Program Expense: Maintenance	49,208.00	18,000.00	0.00	67,208.00	63,905.00
70-8602 Program Expense: Installations	135,223.00	0.00	0.00	135,223.00	236,074.00
70-9000 Program Expense: Site Preparation	0.00	0.00	0.00	0.00	32,925.00

Account	Prelim	Adj's	Reclass	Rep	Rep 06/22
41.1 Marketing & Promotion	395,526.00	3,020.00	0.00	398,546.00	397,796.00
50-2000 Program Reserve Funds: Public Realm	0.00	0.00	0.00	0.00	(32.00)
60-1000 Program Expense: Branding/Design	95,620.00	3,020.00	0.00	98,640.00	50,740.00
60-2000 Program Expense: Advertising	54,702.00	0.00	0.00	54,702.00	86,628.00
60-3200 Program Expense: Brochures/Stationary/Printing	15,475.00	0.00	0.00	15,475.00	29,165.00
60-3400 Program Expense: Photography/Video	55,584.00	0.00	0.00	55,584.00	46,341.00
60-3500 Program Expense: Press/Communications	149,376.00	0.00	0.00	149,376.00	155,456.00
60-3600 Program Expense: Website/Cal./Newsletter	24,769.00	0.00	0.00	24,769.00	29,498.00
41.3 Operational Services	159,258.00	0.00	0.00	159,258.00	180,650.00
80-5002 Program Reserve Funds: Back to Business Reserve	28,858.00	0.00	0.00	28,858.00	118,150.00
80-5003 Program Reserve Funds: Operating Contingency Reser	30,900.00	0.00	0.00	30,900.00	0.00
80-5005 Program Reserve Funds: Downtown Wayfinding Initiat	0.00	0.00	0.00	0.00	12,500.00
80-5006 Program Reserve Funds: Placemaking Initiatives	99,500.00	0.00	0.00	99,500.00	0.00
85-1000 Sponsorship: National Cherry Blossom	0.00	0.00	0.00	0.00	50,000.00
41.5 Public Realm Improvements	0.00	0.00	0.00	0.00	457,512.00
80-4000 Program Reserve Funds: Public Art	0.00	0.00	0.00	0.00	(1,500.00)
80-5004 Program Reserve Funds: Metro Plaza Improvements	0.00	0.00	0.00	0.00	459,012.00
41.8 Transportation, Parking, Pedestrian Services	31,015.00	0.00	0.00	31,015.00	2,488.00
50-5000 Support Services: Staff Support/Development: Trave	31,015.00	0.00	0.00	31,015.00	2,488.00
42.1 Administrative & Office	505,828.00	0.00	0.00	505,828.00	430,821.00
TKR.03 Sales Tax Expense	750.00	0.00	0.00	750.00	0.00
50-6000 Support Services: Office Expenses: Bank Fees	551.00	0.00	0.00	551.00	513.00
50-7000 Support Services: Staff Support/Development	0.00	0.00	0.00	0.00	336.00
50-7100 Support Services: Staff Support/Development: Staff	20,684.00	0.00	0.00	20,684.00	31,224.00
50-7300 Support Services: Staff Support/Development: Membe	14,653.00	0.00	0.00	14,653.00	10,438.00
50-7400 Support Services: Board	16,681.00	0.00	0.00	16,681.00	14,225.00
50-8000 Support Services: Office Expenses	0.00	0.00	0.00	0.00	5.00
50-8300 Support Services: Office Expenses: Licenses/Subscr	98,693.00	0.00	0.00	98,693.00	64,742.00
50-8400 Support Services: Office Expenses: Office Equipmen	18,119.00	0.00	0.00	18,119.00	14,948.00
50-8500 Support Services: Office Expenses: Office Supplies	12,440.00	0.00	0.00	12,440.00	8,422.00
50-8640 Support Services: Office Expenses: Meetings - Loca	5,808.00	0.00	0.00	5,808.00	2,313.00
50-8645 Support Services: Office Expenses: Meetings - Loca	15,262.00	0.00	0.00	15,262.00	4,624.00
50-8650 Support Services: Office Expenses: Depreciation Ex	85,503.00	0.00	0.00	85,503.00	84,075.00
50-8700 Support Services: Office Expenses: Phone/Internet/	34,443.00	0.00	0.00	34,443.00	14,949.00
50-8800 Support Services: Office Expenses: Postage/Deliver	401.00	0.00	0.00	401.00	1,360.00
50-8900 Support Services: Office Expenses: Rent/Office Spa	172,384.00	0.00	0.00	172,384.00	173,842.00
50-8950 Support Services: Office Expenses: Parking	9,456.00	0.00	0.00	9,456.00	4,805.00
42.2 Professional Fees	143,803.00	0.00	0.00	143,803.00	196,371.00
50-3200 Support Services: Professional Fees: Accounting/Au	32,795.00	0.00	0.00	32,795.00	40,008.00
50-3300 Support Services: Professional Fees: Consulting	22,000.00	0.00	0.00	22,000.00	61,383.00
50-3400 Support Services: Professional Fees: Legal Fees	38,933.00	0.00	0.00	38,933.00	41,220.00
50-4000 Support Services: Professional Fees: HR Support	50,075.00	0.00	0.00	50,075.00	53,760.00
42.3 Arlington County Admin Fee	86,440.00	1,012.00	0.00	87,452.00	90,244.00
70-1000 County Retained Funds:County Administrative Fee	86,440.00	1,012.00	0.00	87,452.00	90,244.00
	0.00	0.00	0.00	0.00	0.00
Net Income (Loss)	(272,929.00)			(309,140.00)	(531,804.00)

National Landing Business Improvement District

Year End: June 30, 2023

Reclassifying adjusting journal entries

Date: 7/1/2022 To 6/30/2023

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit
3	6/30/2023	Sponsorship	20-0000	AJE. 3		16,667.00	
3	6/30/2023	Sponsorship:Restricted	20-0001	AJE. 3			-16,667.00
		PBC - To reclass revenue to with donor restrictions.					
						16,667.00	-16,667.00
Net Income (Loss)							(309,140.00)

National Landing Business Improvement District
Year End: June 30, 2023
Adjusting journal entries
Date: 7/1/2022 To 6/30/2023

Number	Date	Account No	Name	Reference	Debit	Credit
1	6/30/2023	10-0000	AC Disbursements	Z. 1		-1,012.00
1	6/30/2023	70-1000	County Retained Funds:County Administrative Fee	Z. 1	1,012.00	
To adjust Arlington County Revenue and County Admin Fee to actual.						
2	6/30/2023	2000	Contracts Payable	AJE. 2		-36,211.00
2	6/30/2023	60-1000	Program Expense: Branding/Design	AJE. 2	3,020.00	
2	6/30/2023	60-4200	Program Expense: Sponsorship	AJE. 2	3,600.00	
2	6/30/2023	60-4800	Program Expense: Program Supplies	AJE. 2	342.00	
2	6/30/2023	60-5001	Program Expense: Planning/Research	AJE. 2	4,000.00	
2	6/30/2023	70-3130	Program Expense: Watering Services	AJE. 2	6,971.00	
2	6/30/2023	70-7000	Program Expense: Cleaning/Recycling/Compost	AJE. 2	278.00	
2	6/30/2023	70-8601	Program Expense: Maintenance	AJE. 2	18,000.00	
PBC - To properly accrued invoices received after yearend.						
					37,223.00	-37,223.00
Net Income (Loss)						(309,140.00)